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(Original Signature of Member)

117TH CONGRESS
2D SESSION

H. R. _____

To amend title 49, United States Code, and the Small Business Act to direct the Department of Transportation and the Small Business Administration to strengthen and advance certain disadvantaged businesses, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

Mr. GARCÍA of Illinois introduced the following bill; which was referred to the Committee on _____

A BILL

To amend title 49, United States Code, and the Small Business Act to direct the Department of Transportation and the Small Business Administration to strengthen and advance certain disadvantaged businesses, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Giving Disadvantaged
5 Businesses Opportunities for Success Act”.

1 SEC. 2. TABLE OF CONTENTS.

2 The table of contents for this Act is as follows:

- Sec. 1. Short title.
- Sec. 2. Table of contents.
- Sec. 3. Congressional findings on the importance of disadvantaged businesses.
- Sec. 4. Definitions.
- Sec. 5. Severability.

TITLE I—DEPARTMENT OF TRANSPORTATION

- Sec. 101. Inflation adjustment to Department of Transportation net worth caps.
- Sec. 102. Update to Department of Transportation Disadvantaged Business Enterprise and ACDBE size standards.
- Sec. 103. Department of Transportation annual gross receipts timeline.
- Sec. 104. Definition of assets under Department of Transportation personal net worth test.
- Sec. 105. Additional funding for Department of Transportation minority resource center.
- Sec. 106. Improvements to Department of Transportation Disadvantaged Business Enterprise and ACDBE mentor-protégé programs.
- Sec. 107. Department of Transportation Disadvantaged Business Enterprise and ACDBE certification universal recognition.
- Sec. 108. Incentives for excellence in Disadvantaged Business Enterprise programs and ACDBE programs.
- Sec. 109. Reporting requirements and standards for waivers and exemptions.
- Sec. 110. Advisory committee on disadvantaged business enterprises and ACDBEs.

TITLE II—SMALL BUSINESS ADMINISTRATION

- Sec. 201. Update to small business concern disadvantaged business net worth caps.
- Sec. 202. Update to certain size standards under the Small Business Act.
- Sec. 203. Annual gross receipts timeline under the Small Business Act.
- Sec. 204. Definition of assets under the Small Business Act.
- Sec. 205. Small business development center partnerships with the Department of Transportation.
- Sec. 206. Small business development center partnerships with nonprofits.

3 SEC. 3. CONGRESSIONAL FINDINGS ON THE IMPORTANCE
4 OF DISADVANTAGED BUSINESSES.

5 Congress finds the following:

- 6** (1) While significant progress has occurred due
- 7** to the establishment of the Disadvantaged Business
- 8** Enterprise program of the Department of Transpor-
- 9** tation under section 11101(e) of the Infrastructure

1 Investment and Jobs Act (Public Law 117–58), the
2 ACDBE program of the Department of Transpor-
3 tation under part 23 of title 49, Code of Federal
4 Regulations, and the Section 8(a) Business Develop-
5 ment Program of the Small Business Administration
6 (established under section 8(a) of the Small Busi-
7 ness Act (15 U.S.C. 637), discrimination and related
8 barriers continue to pose significant obstacles for
9 minority- and women-owned businesses seeking to do
10 business in federally-assisted transportation markets
11 across the United States and through procurement
12 contracts of Federal agencies.

13 (2) The continuing barriers described in para-
14 graph (1) merit the continuation of the Disadvan-
15 taged Business Enterprise program, the ACDBE
16 program, and the Section 8(a) Business Develop-
17 ment Program.

18 (3) Congress has received and reviewed testi-
19 mony and documentation of race and gender dis-
20 crimination from numerous sources, including con-
21 gressional hearings and roundtables, scientific re-
22 ports, reports issued by public and private agencies,
23 news stories, reports of discrimination by organiza-
24 tions and individuals, and discrimination lawsuits,

1 which show that race- and gender-neutral efforts
2 alone are insufficient to address the problem.

3 (4) Some examples of the sources described in
4 paragraph (3) include the following:

5 (A) The hearing of the Committee on
6 Transportation and Infrastructure of the House
7 of Representatives held on September 23, 2020,
8 titled “Driving Equity: The U.S. Department of
9 Transportation’s Disadvantaged Business En-
10 terprise Program”.

11 (B) The hearing of the Subcommittee on
12 Contracting and Infrastructure of the Com-
13 mittee on Small Business of the House of Rep-
14 resentatives held on March 2, 2022, titled “The
15 8(a) Program: Overview and Next Steps to Pro-
16 mote Small Business Success”.

17 (C) The 2017 Disparity Study of the Illi-
18 nois Department of Transportation.

19 (D) The 2018 Disparity Study of the City
20 of Denver.

21 (5) The testimony and documentation described
22 in paragraphs (3) and (4) demonstrate that dis-
23 crimination across the United States poses a barrier
24 to full and fair participation of women business own-
25 ers and minority business owners in federally-as-

1 sisted transportation markets and through procure-
2 ment contracts of Federal agencies and has im-
3 pacted the development of such businesses.

4 (6) The testimony and documentation described
5 in paragraphs (3) and (4) provide a strong basis
6 that there is a compelling need for the continuation
7 of Disadvantaged Business Enterprise program, the
8 ACDBE program, and the Section 8(a) Business
9 Development Program to address race and gender
10 discrimination in federally-assisted transportation
11 markets and through procurement contracts of Fed-
12 eral agencies.

13 **SEC. 4. DEFINITIONS.**

14 In this Act:

15 (1) ADMINISTRATOR.—The term “Adminis-
16 trator” means the Administrator of the Small Busi-
17 ness Administration.

18 (2) AIRPORT CONCESSION DISADVANTAGED
19 BUSINESS ENTERPRISE.—The terms “Airport Con-
20 cession Disadvantaged Business Enterprise
21 (ACDBE)” and “ACDBE” have the meaning given
22 the term “Airport Concession Disadvantaged Busi-
23 ness Enterprise (ACDBE)” in part 23.3 of title 49,
24 Code of Federal Regulations.

1 (3) CONCERNED OPERATING ADMINISTRA-
2 TION.—The term “concerned operating administra-
3 tion” has the meaning given such term in part 26.5
4 of title 49, Code of Federal Regulations.

5 (4) DISADVANTAGED BUSINESS ENTERPRISE.—
6 The term “Disadvantaged Business Enterprise” has
7 the meaning given such term in part 26.5 of title 49,
8 Code of Federal Regulations.

9 (5) DISADVANTAGED BUSINESS ENTERPRISE
10 ADVISORY COMMITTEE.—The term “Disadvantaged
11 Business Enterprise Advisory Committee” means
12 the committee established in section 110 of this Act.

13 (6) PRIME CONTRACTOR.—The term “prime
14 contractor” has the meaning given such term in sec-
15 tion 8701(5) of title 41, United States Code.

16 (7) RECIPIENT.—The term “recipient” has the
17 meaning given such term in parts 23.3 and 26.5 of
18 title 49, Code of Federal Regulations.

19 (8) SECRETARY.—The term “Secretary” means
20 the Secretary of Transportation.

21 (9) SMALL BUSINESS DEVELOPMENT CEN-
22 TER.—The term “small business development cen-
23 ter” has the meaning given such term in section 3
24 of the Small Business Act (15 U.S.C. 632).

1 (10) SMALL BUSINESS TRANSPORTATION RE-
2 SOURCE CENTER.—The term “small business trans-
3 portation resource center” means an entity funded
4 by the Office of Small and Disadvantaged Business
5 Utilization of the Department of Transportation
6 that provides an array of technical assistance to
7 build the capacity of small disadvantaged transpor-
8 tation businesses.

9 **SEC. 5. SEVERABILITY.**

10 If any provision of this Act, an amendment made by
11 this Act, or the application of such provision or amend-
12 ment to any person or circumstance is held to be unconsti-
13 tutional, the remainder of this Act and the amendments
14 made by this Act, and the application of such remainder
15 to any person or circumstance shall not be affected.

16 **TITLE I—DEPARTMENT OF**
17 **TRANSPORTATION**

18 **SEC. 101. INFLATION ADJUSTMENT TO DEPARTMENT OF**
19 **TRANSPORTATION NET WORTH CAPS.**

20 (a) IN GENERAL.—Not later than 1 year after the
21 date of enactment of this Act, the Secretary of Transpor-
22 tation shall issue such regulations as are necessary to in-
23 crease the personal net worth cap contained in parts 23
24 and 26 of title 49, Code of Federal Regulations, to account
25 for any inflation that has occurred since the net worth

1 cap under such parts was increased in the rule submitted
2 by the Department of Transportation issued on January
3 28, 2011, titled “Disadvantaged Business Enterprise:
4 Program Improvements” (76 Fed. Reg. 5083).

5 (b) PARAMETERS.—In carrying out subsection (a),
6 the Secretary shall—

7 (1) use the consumer price index published by
8 the Bureau of Labor Statistics as the inflation met-
9 ric; and

10 (2) account for any inflation that occurred in
11 the time period between the final effective date of
12 the rule submitted by the Department of Transpor-
13 tation issued on January 28, 2011, titled “Dis-
14 advantaged Business Enterprise: Program Improve-
15 ments” (76 Fed. Reg. 5083) and the final effective
16 date of any rule issued pursuant to subsection (a).

17 (c) ADDITIONAL INFLATION ADJUSTMENTS.—The
18 Secretary of Transportation shall issue such regulations
19 as are necessary to update parts 23 and 26 of title 49,
20 United States Code, to establish an interval in accordance
21 with this section to make additional adjustments, after the
22 adjustment under subsection (a), to the net worth caps
23 for determining social and economic disadvantage for in-
24 flation.

1 (d) INTERVAL.—The interval for adjusting the net
2 worth caps described in subsection (c) shall be the same
3 annual interval that the Administrator adjusts the net
4 worth caps for the Small Business Administration under
5 section 201(b).

6 (e) FIRST ADDITIONAL ADJUSTMENT.—The first ad-
7 ditional inflation adjustment under subsection (c) shall
8 occur at the same time the Administrator carries out the
9 first adjustment under section 201(b)(1).

10 (f) METRIC.—The Secretary shall use the same infla-
11 tion metric under subsection (c) that the Administrator
12 chooses under section 201(b).

13 **SEC. 102. UPDATE TO DEPARTMENT OF TRANSPORTATION**
14 **DISADVANTAGED BUSINESS ENTERPRISE**
15 **AND ACDBE SIZE STANDARDS.**

16 (a) HIGHWAYS AND TRANSIT SMALL BUSINESS CON-
17 CERN DEFINITION.—Section 11101(e)(2)(A) of the Infra-
18 structure Investment and Jobs Act (Public Law 117–58)
19 is amended to read as follows:

20 “(A) SMALL BUSINESS CONCERN.—The
21 term ‘small business concern’ has the meaning
22 given the term in section 3 of the Small Busi-
23 ness Act (15 U.S.C. 632).”.

1 (b) AVIATION SMALL BUSINESS CONCERN DEFINI-
2 TION.—Section 47113(a)(1) of title 49, United States
3 Code, is amended to read as follows:

4 “(1) ‘small business concern’ has the meaning
5 given the term in section 3 of the Small Business
6 Act (15 U.S.C. 632);”.

7 (c) RULEMAKING.—Not later than 1 year after the
8 date of the enactment of this Act, the Secretary shall issue
9 or amend such rules as are necessary to carry out the
10 amendment made by this section.

11 **SEC. 103. DEPARTMENT OF TRANSPORTATION ANNUAL**
12 **GROSS RECEIPTS TIMELINE.**

13 (a) FHWA AND FTA GROSS RECEIPTS TIMELINE.—
14 Section 11101(e)(2)(A)(ii) of the Infrastructure Invest-
15 ment and Jobs Act (Public Law 117–58) is amended by
16 striking “during the proceeding 3 fiscal years” and insert-
17 ing “during the proceeding 7 fiscal years”.

18 (b) FAA GROSS RECEIPTS TIMELINE.—The Sec-
19 retary of Transportation shall issue such regulations as
20 are necessary to update the gross receipts timeline con-
21 tained in part 23.33 of title 49, Code of Federal Regula-
22 tions, from 3 years to 7 years for the purposes of a firm
23 being certified as an ACDBE.

24 (c) EFFECTIVE DATE.—The amendment in sub-
25 section (a) shall be treated as if such amended was in-

1 cluded on the date of enactment of the Infrastructure In-
2 vestment and Jobs Act (Public Law 117–58).

3 (d) RULEMAKING.—Not later than 1 year after the
4 date of enactment of this Act, the Secretary shall issue
5 such regulations as are necessary to carry out the amend-
6 ment made by this section.

7 **SEC. 104. DEFINITION OF ASSETS UNDER DEPARTMENT OF**
8 **TRANSPORTATION PERSONAL NET WORTH**
9 **TEST.**

10 Not later than 1 year after the date of enactment
11 of this Act, the Secretary of Transportation shall issue
12 such regulations as are necessary to update the assets ex-
13 cluded in the personal net worth test contained in parts
14 23.3 and 26.67 of title 49, Code of Federal Regulations,
15 to match the assets excluded in the computation of net
16 worth under Section 8(a)(6)(E) of the Small Business Act
17 (15 U.S.C. 637(a)(6)(E)), as amended by section 204 of
18 this Act.

19 **SEC. 105. ADDITIONAL FUNDING FOR DEPARTMENT OF**
20 **TRANSPORTATION MINORITY RESOURCE**
21 **CENTER.**

22 (a) IMPROVEMENTS TO MINORITY RESOURCE CEN-
23 TER.—Section 332 of title 49, United States Code, is
24 amended—

25 (1) in subsection (b)—

1 (A) in paragraph (6) by striking “and” at
2 the end;

3 (B) by redesignating paragraph (7) as
4 paragraph (8); and

5 (C) by inserting after paragraph (6) the
6 following:

7 “(7) establish a goal of having a small business
8 transportation resource center in every State; and”;
9 and

10 (2) in subsection (e)(2) by striking “such sums
11 as may be necessary for fiscal years 2005 through
12 2009” and inserting “\$25,000,000 for each of fiscal
13 years 2023 through 2027”.

14 (b) USE OF FUNDING.—The Secretary shall use any
15 additional funding appropriated under section 332 of title
16 49, United States Code, to—

17 (1) establish additional small business transpor-
18 tation resource centers with the goal of having 1 in
19 each State; and

20 (2) provide additional funding to existing small
21 business transportation resource centers to augment
22 the activities of the center so the center can reach
23 more disadvantaged businesses.

1 **SEC. 106. IMPROVEMENTS TO DEPARTMENT OF TRANSPOR-**
2 **TATION DISADVANTAGED BUSINESS ENTER-**
3 **PRISE AND ACDBE MENTOR-PROTÉGÉ PRO-**
4 **GRAMS.**

5 (a) IN GENERAL.—Not later than 1 year after the
6 date of enactment of this Act, the Secretary shall issue
7 such regulations as are necessary to update parts 23 and
8 26.35 of title 49, Code of Federal Regulations, (or a suc-
9 cessor regulation) to require covered large recipients with
10 Disadvantaged Business Enterprise programs or ACDBE
11 programs to have a mentor-protégé program.

12 (b) QUALITY CONTROL STANDARDS.—Not later than
13 2 years after the date of enactment of this Act, the Sec-
14 retary shall issue or update regulations regarding min-
15 imum quality standards or certain items that shall be in-
16 cluded in mentor-protégé programs in order for such pro-
17 grams to qualify under subsection (a), including—

18 (1) ensuring that any mentor-protégé program
19 results in the increase or success of a protégé in—

20 (A) capital base, including—

21 (i) working capital;

22 (ii) depreciated value of equipment
23 owned or leased;

24 (iii) payroll;

25 (iv) overhead;

26 (v) material expensed;

1 (vi) overhead expensed;

2 (vii) net profit; and

3 (viii) available credit;

4 (B) bonding limits, by job and in the ag-
5 gregate;

6 (C) value of current and future work;

7 (D) success in getting profitable work out-
8 side any government or other procurement pro-
9 gram for small, minority, women, or disadvan-
10 tagged business enterprises;

11 (E) retention of reliable and productive
12 employees;

13 (F) customer loyalty resulting in repeat
14 business; and

15 (G) any other area determined by the Sec-
16 retary; and

17 (2) ensuring that any mentorship-protégé pro-
18 gram demonstrates overall success in—

19 (A) higher than average survival rate for
20 protégés;

21 (B) continuous improvement in the finan-
22 cial strength and bonding capacity of protégés;

23 (C) consistent success in meeting the ob-
24 jectives included in each protégé's individual
25 business plan;

1 (D) a high rate of successful transition out
2 of the program; and

3 (E) any other area determined by the Sec-
4 retary.

5 (c) AUDITING.—

6 (1) IN GENERAL.—The Secretary shall periodi-
7 cally audit the mentor-protégé programs of recipi-
8 ents to ensure such programs are meeting the qual-
9 ity control standards set under subsection (c).

10 (2) USE OF INFORMATION.—The findings of
11 the audits under paragraph (1) shall inform any up-
12 dates to the quality control standards that the Sec-
13 retary issues under this section.

14 (d) COMPLIANCE.—In carrying out this section, the
15 Secretary shall issue such regulations as are necessary to
16 update parts 23 and 26 of title 49, Code of Federal Regu-
17 lations, to make clear that a Disadvantaged Business En-
18 terprise program or ACDBE program of a covered large
19 recipient is not in compliance with this section unless such
20 recipient's Disadvantaged Business Enterprise program or
21 ACDBE program has the required mentor-protégé pro-
22 gram and such program complies with all requirements
23 or regulations established by the concerned operating ad-
24 ministration or Secretary, including any quality control
25 standards established under subsection (c).

1 (e) AUTHORIZATION OF APPROPRIATIONS.—There is
2 authorized to carry out this section \$10,000,000 for each
3 of fiscal years 2023 through 2027, of which—

4 (1) \$3,000,000 for each fiscal year shall be for
5 the Secretary to carry out the quality control, audit-
6 ing, and compliance activities required under this
7 section; and

8 (2) \$7,000,000 for each fiscal year shall be for
9 the Secretary to assist recipients with setting up,
10 improving, and carrying out mentor-protégé pro-
11 grams.

12 (f) COVERED LARGE RECIPIENTS DEFINED.—In this
13 section, the term “covered large recipients” means—

14 (1) a State department of Transportation;

15 (2) large public transportation and regional
16 transportation agencies, as defined by the Secretary;

17 (3) any recipient of airport funds authorized
18 under section 47101 of title 49, United States Code,
19 that operates a large hub airport (as such term is
20 defined in section 47102(11) of title 49, United
21 States Code; and

22 (4) recipients that are similar in size and pur-
23 pose to recipients described in paragraphs (1)
24 through (3), as determined by the Secretary.

1 **SEC. 107. DEPARTMENT OF TRANSPORTATION DISADVAN-**
2 **TAGED BUSINESS ENTERPRISE AND ACDBE**
3 **CERTIFICATION UNIVERSAL RECOGNITION.**

4 (a) UNIVERSAL CERTIFICATION RECOGNITION.—Not
5 later than 2 years after the date of the enactment of this
6 Act, the Secretary shall issue such regulations as are nec-
7 essary to update parts 23 and 26 of title 49, Code of Fed-
8 eral Regulations, (or a successor regulation) to require
9 States and recipients to recognize a certification issued by
10 another State to a business recognizing such business as
11 a Disadvantaged Business Enterprise or an ACDBE with-
12 out further procedures.

13 (b) CERTIFICATION CRITERIA.—In certifying a busi-
14 ness as a Disadvantaged Business Enterprise or an
15 ACDBE, a State shall meet any requirements that the
16 Secretary establishes under section 11101(e)(5) of the In-
17 frastructure Investment and Jobs Act (Public Law 117–
18 58).

19 (c) SECRETARY AUTHORITY.—The Secretary shall
20 have the authority to regulate certain items or issue stand-
21 ards that any recipient’s Disadvantaged Business Enter-
22 prise program or ACDBE program shall meet as part of
23 universal certification recognition under this section, in-
24 cluding—

25 (1) the transportation contracts that a Dis-
26 advantaged Business Enterprise or ACDBE shall

1 have access to bid on once such business obtains
2 Disadvantaged Business Enterprise or ACDBE cer-
3 tification;

4 (2) any differences in the way a State a recipi-
5 ent treats a home state Disadvantaged Business En-
6 terprise or ACDBE versus an out of State Dis-
7 advantaged Business Enterprise or ACDBE;

8 (3) access to a State or recipient's resources
9 and information that an out of State Disadvantaged
10 Business Enterprise or ACDBE has access to once
11 such business obtains a Disadvantaged Business En-
12 terprise or ACDBE certification; and

13 (4) any other area the Secretary determines
14 necessary to ensure the success of universal certifi-
15 cation recognition.

16 (d) AUDITING.—

17 (1) IN GENERAL.—The Secretary shall periodi-
18 cally audit States and recipients to ensure that such
19 States are recognizing a certification issued by an-
20 other State to a business recognizing such business
21 as a Disadvantaged Business Enterprise or ACDBE
22 without further procedures.

23 (2) USE OF INFORMATION.—The findings of
24 the audits under paragraph (1) shall inform any up-

1 dates to the regulations that the Secretary issues
2 under subsection (c).

3 (e) COMPLIANCE.—In carrying out this section, the
4 Secretary shall issue such regulations as are necessary to
5 update parts 23 and 26 of title 49, Code of Federal Regu-
6 lations, to make clear that a Disadvantaged Business En-
7 terprise program or ACDBE program of a recipient is not
8 in compliance with this section unless said recipient's Dis-
9 advantaged Business Enterprise program or ACDBE pro-
10 gram recognizes a certification issued by another State to
11 a business recognizing such business as a Disadvantaged
12 Business Enterprise or ACDBE without further proce-
13 dures and meets any standards established by the Sec-
14 retary under subsection (c).

15 **SEC. 108. INCENTIVES FOR EXCELLENCE IN DISADVAN-**
16 **TAGED BUSINESS ENTERPRISE PROGRAMS**
17 **AND ACDBE PROGRAMS.**

18 (a) ESTABLISHMENT OF EXCELLENCE AWARDS.—
19 Not later than 1 year after the date of enactment of this
20 Act, the Secretary shall establish an awards program that
21 recognizes recipients that have excellent Disadvantaged
22 Business Enterprise programs or ACDBE programs.

23 (b) ANNUAL AWARDS.—The Secretary shall on an
24 annual basis review recipients' Disadvantaged Business
25 Enterprise programs or ACDBE programs and recognize

1 certain recipients that have excellent Disadvantaged Busi-
2 ness Enterprise programs or ACDBE programs through
3 the awards program under subsection (a).

4 (c) CRITERIA FOR AWARDS.—In carrying out the
5 awards program established under subsection (a), the Sec-
6 retary shall consider the following criteria:

7 (1) How high the Disadvantaged Business En-
8 terprise or ACDBE participation goal of the Dis-
9 advantaged Business Enterprise program or
10 ACDBE program is.

11 (2) The success of the recipient in meeting and
12 exceeding participation goals described in paragraph
13 (1).

14 (3) How much successful growth a Disadvan-
15 taged Business Enterprise or ACDBE in the pro-
16 gram has.

17 (4) To what extent and how well a Disadvan-
18 taged Business Enterprise program or ACDBE pro-
19 gram welcomes new Disadvantaged Business Enter-
20 prises or ACDBEs.

21 (5) How well a Disadvantaged Business Enter-
22 prise program or ACDBE program assists all so-
23 cially and economically disadvantaged individuals in
24 overcoming barriers to participation.

1 (6) The existence of and the quality of a men-
2 tor-protégé program.

3 (7) Any other criteria the Secretary determines
4 is integral to an excellent Disadvantaged Business
5 Enterprise program or ACDBE program.

6 (d) ADJUSTING CRITERIA.—The Secretary may ad-
7 just the criteria under subsection (c) to account for a re-
8 cipient's size, type of business, geographic location, or any
9 other characteristic the Secretary determines necessary.

10 (e) DISCRETIONARY GRANT PREFERENCE.—The
11 Secretary shall provide preferences for discretionary grant
12 funding awards to recipients that are recognized under
13 subsections (a) and (b).

14 (f) NOTICE OF FUNDING OPPORTUNITIES.—Notwith-
15 standing any other provision of law or regulation, the Sec-
16 retary shall ensure that any notice of funding opportunity
17 or availability for discretionary grant funding issued by
18 the Secretary contains the preferences under subsection
19 (e).

20 (g) TIMING OF REQUIREMENT.—Subsection (f) shall
21 apply to any notice of funding opportunity or availability
22 issued after the date of enactment of this Act.

23 (h) ADDITIONAL INCENTIVES.—In addition to the
24 grant preferences under subsection (e), the Secretary may

1 provide additional incentives to recipients that are recog-
2 nized under subsections (a) and (b).

3 (i) REPORTING.—The Secretary shall—

4 (1) make available on the Department of
5 Transportation’s website a list of recipients being
6 recognized for excellent Disadvantaged Business En-
7 terprise or ACDBE programs under subsection sub-
8 sections (a) and (b);

9 (2) include a rationale for why the Secretary is
10 recognizing the recipients described in paragraph
11 (1);

12 (3) provide information regarding the recipi-
13 ents’ Disadvantaged Business Enterprise or ACDBE
14 programs, including a link to the recipients’ program
15 website; and

16 (4) annually update the information required
17 under this subsection.

18 (j) AUTHORIZATION OF APPROPRIATIONS.—There is
19 authorized to carry out this section \$2,000,000 for each
20 of fiscal years 2023 through 2027.

21 **SEC. 109. REPORTING REQUIREMENTS AND STANDARDS**
22 **FOR WAIVERS AND EXEMPTIONS.**

23 (a) REPORTING REQUIREMENTS.—Not later than 1
24 year after the date of enactment of this Act, the Secretary
25 shall update parts 23 and 26 of title 49, Code of Federal

1 Regulations, to require each concerned operating adminis-
2 tration or model agency to annually report to the Sec-
3 retary any waiver or exemption such administration or
4 agency grants to a recipient from any requirement under
5 parts 23 and 26 of title 49, Code of Federal Regulations.

6 (b) CONTENTS OF REPORTS.—The reports under
7 subsection (a) shall contain the following information:

8 (1) The name of the recipient granted the waiv-
9 er or exemption.

10 (2) The name of the concerned operating ad-
11 ministration or model agency that granted the waiv-
12 er or exemption.

13 (3) Any provision that the recipient received a
14 waiver or exemption from.

15 (4) The reason the concerned operating admin-
16 istration or model agency granted the waiver.

17 (5) A description of the conditions in the recipi-
18 ent's jurisdiction that made the situation appro-
19 priate to grant the recipient's program proposal.

20 (6) The duration of the waiver.

21 (7) The public participation a recipient con-
22 ducted in developing such recipient's request, includ-
23 ing any consultations with the Disadvantaged Busi-
24 ness Enterprise and ACDBE communities.

1 (8) Any other information the Secretary deter-
2 mines necessary.

3 (c) POSTING ON WEBSITE.—Not later than 90 days
4 after the date on which a report is required to be filed
5 under subsection (a), the Secretary shall in a full-text
6 searchable, sortable, and downloadable format for access
7 by the public—

8 (1) make the reports submitted to the Secretary
9 under subsection (a) available on the website of the
10 Department of Transportation;

11 (2) report the total number of waivers or ex-
12 emptions that a concerned operating administration
13 or model agency granted that year; and

14 (3) report the total number of waivers or ex-
15 emptions that a recipient applied for or was granted
16 that year.

17 (d) STANDARDS FOR GRANTING WAIVERS.—Not
18 later than 2 years after the date of enactment of this Act,
19 and every 5 years thereafter, the Secretary shall issue
20 such regulations as may be necessary to update regula-
21 tions regarding the standards for granting waivers or ex-
22 emptions to a recipient from any requirement under parts
23 23 and 26 of title 49, Code of Federal Regulations, in
24 order to minimize the improper granting of such waivers
25 or exemptions.

1 (e) CONSIDERATIONS.—In carrying out subsection
2 (d), the Secretary shall consider—

3 (1) creating a uniform list of reasons for grant-
4 ing waivers or exemptions;

5 (2) creating a uniform list of conditions in ju-
6 risdictions that are appropriate for granting waivers
7 or exemptions;

8 (3) limiting the number of waivers or exemp-
9 tions a recipient can receive;

10 (4) requiring a recipient to conduct more public
11 hearings and consultations with the Disadvantaged
12 Business Enterprise and ACDBE communities be-
13 fore a proposal for a waiver or exemption can be
14 granted; and

15 (5) increasing the level of standard for which a
16 recipient's proposal must meet before concerned op-
17 erating administration or model agency will grant a
18 waiver or exemption to a recipient.

19 (f) AUDITING.—

20 (1) IN GENERAL.—The Secretary shall periodi-
21 cally audit concerned operating administrations or
22 model agencies to ensure that such administrations
23 or agencies are minimizing the improper granting of
24 waivers or exemptions to a recipient from any re-

1 quirement under parts 23 and 26 of title 49, Code
2 of Federal Regulations.

3 (2) USE OF INFORMATION.—The findings of
4 the audits under paragraph (1) shall inform any up-
5 dates to the regulations that the Secretary issues or
6 updates under subsection (d).

7 (g) AUTHORIZATION OF APPROPRIATIONS.—There is
8 authorized to carry out this section \$3,000,000 for each
9 of fiscal years 2023 through 2027.

10 **SEC. 110. ADVISORY COMMITTEE ON DISADVANTAGED**
11 **BUSINESS ENTERPRISES AND ACDBES.**

12 (a) DISADVANTAGED BUSINESS ENTERPRISE AND
13 ACDBE ADVISORY COMMITTEE.—

14 (1) ESTABLISHMENT.—Not later than 180 days
15 after the date of the enactment of this Act, the Sec-
16 retary shall establish a Disadvantaged Business En-
17 terprise and ACDBE Advisory Committee (in this
18 section referred to as the “Committee”).

19 (2) DUTIES.—The duties of the Committee
20 shall be to provide a forum for stakeholders to dis-
21 cuss and make policy recommendations to Congress
22 with respect to advancing the success of Disadvan-
23 tage Business Enterprises and ACDBEs in the
24 transportation, infrastructure, construction, and
25 building industries.

1 (3) MEMBERSHIP.—

2 (A) VOTING MEMBERS.—The Committee
3 shall be composed of the following voting mem-
4 bers:

5 (i) The Secretary or the Secretary's
6 designee.

7 (ii) The Administrator or the Admin-
8 istrator's designee.

9 (iii) A representative of State govern-
10 ments.

11 (iv) A representative of local govern-
12 ments.

13 (v) A representative of county govern-
14 ments.

15 (vi) A representative of State Depart-
16 ments of Transportation.

17 (vii) A representative of transit agen-
18 cies.

19 (viii) A representative of airports.

20 (ix) A representative from the Con-
21 ference of Minority Transportation Offi-
22 cials.

23 (x) Two individuals who have experi-
24 ence advocating for Disadvantaged Busi-
25 ness Enterprises or ACDBEs.

1 (xi) Two or more representatives from
2 Disadvantaged Business Enterprises or
3 ACDBEs owned by persons of color.

4 (xii) Two or more representatives
5 from Disadvantaged Business Enterprises
6 or ACDBEs owned by women.

7 (B) APPOINTING AUTHORITY.—The Sec-
8 retary shall appoint all members of the Com-
9 mittee, except for the Administrator, who shall
10 have a self-executing appointment.

11 (C) APPOINTMENT REPLACEMENT.—The
12 Secretary shall promptly appoint a replacement
13 for any member whose term has expired or who
14 has resigned from the Committee.

15 (D) TERM LENGTH.—

16 (i) IN GENERAL.—Each member, ex-
17 cept for the Secretary or the Adminis-
18 trator, shall serve for an initial term of 4
19 years on the Committee.

20 (ii) REAPPOINTMENT.—A member
21 whose term has expired may be re-
22 appointed to the Committee for subsequent
23 terms.

24 (E) SERVICE CONTINUATION.—A member
25 whose term has expired may continue to serve

1 until the Secretary has appointed a replacement
2 member.

3 (F) NON-VOTING MEMBERS.—The Sec-
4 retary may allow additional interested stake-
5 holders to attend and participate in the activi-
6 ties of the Committee as non-voting members.

7 (4) MEETINGS.—The Committee shall meet not
8 less frequently than—

9 (A) 4 times per year until the report under
10 paragraph (5) is submitted; and

11 (B) 2 times per year after such report is
12 submitted.

13 (5) REPORT.—

14 (A) IN GENERAL.—Not later than 2 years
15 after the establishment of the Committee, the
16 Committee shall submit to the Committee on
17 Commerce, Science, and Transportation of the
18 Senate, the Committee on Environment and
19 Public Works of the Senate, the Committee on
20 Banking, Housing, and Urban Affairs of the
21 Senate, the Committee on Small Business and
22 Entrepreneurship of the Senate, the Committee
23 on Transportation and Infrastructure of the
24 House of Representatives, and the Committee
25 on Small Business of the House of Representa-

1 tives a report that contains recommendations,
2 supported by at least a majority of all voting
3 members. Such report shall include rec-
4 ommendations regarding—

5 (i) policy or regulatory changes to
6 help increase the success of Disadvantaged
7 Business Enterprises or ACDBEs in the
8 transportation construction and building
9 industries;

10 (ii) policy or regulatory changes to
11 help increase the number of prime contrac-
12 tors that are Disadvantaged Business En-
13 terprises or ACDBEs;

14 (iii) policy or regulatory changes to
15 address the penalization that occurs when
16 businesses owned by women or persons of
17 color become too large to qualify as Dis-
18 advantaged Business Enterprises or
19 ACDBEs;

20 (iv) policy or regulatory changes to
21 address the structural and legacy barriers
22 faced by women and persons of color in at-
23 tempting to enter or succeed in the trans-
24 portation, construction, and building indus-
25 tries;

1 (v) policy or regulatory changes to in-
2 crease the access of Disadvantaged Busi-
3 ness Enterprises or ACDBEs to financial
4 capital and other necessary ancillary serv-
5 ices to succeed; and

6 (vi) ways to make existing Federal
7 technical assistance programs such as
8 small business transportation resource cen-
9 ters, small business development centers,
10 minority business development centers, and
11 procurement technical assistance centers
12 work better and reach more Disadvantaged
13 Business Enterprises and ACDBEs.

14 (B) DISSENTING VIEWS.—The report in
15 subparagraph (A) shall include a section allow-
16 ing any dissenting views and the dissent's ra-
17 tionale from the majority's recommendations.

18 (6) ADDITIONAL REPORTS.—After the submis-
19 sion of the report under paragraph (5), the Com-
20 mittee shall, from time to time at an appropriate
21 time determined by the Committee, submit to the
22 Secretary and Congress subsequent reports that are
23 consistent with the duties of the Committee de-
24 scribed in paragraph (2).

1 (7) COMPENSATION.—Members of the Com-
2 mittee shall serve without compensation, but may be
3 allowed travel expenses, including per diem in lieu of
4 subsistence, in accordance with subchapter I of
5 chapter 7 of title 5, United States Code.

6 (8) SUPPORT.—The Secretary shall use the re-
7 sources of the Department of Transportation and
8 the Office of the Secretary to provide support to the
9 Committee.

10 (b) TERMINATION.—The Committee shall terminate
11 on the date that is 5 years after the date on which the
12 Committee is established under subsection (a).

13 (c) REGULATIONS.—The Secretary shall have the au-
14 thority to issue or modify any regulations necessary to
15 carry out subsection (a).

16 (d) CONFORMING AMENDMENT.—Sections 100501,
17 100502, and 100503 of the Infrastructure Investment and
18 Jobs Act (Public Law 117–58) are repealed.

19 **TITLE II—SMALL BUSINESS** 20 **ADMINISTRATION**

21 **SEC. 201. UPDATE TO SMALL BUSINESS CONCERN DIS-** 22 **ADVANTAGED BUSINESS NET WORTH CAPS.**

23 (a) IN GENERAL.—Not later than 1 year after the
24 date of enactment of this Act, the Administrator shall up-
25 date part 124 of title 13, Code of Federal Regulations,

1 with respect to the maximum net worth of an individual
2 claiming economic disadvantage to be equal to the net
3 worth cap established by the Secretary of Transportation
4 under section 101.

5 (b) ADJUSTMENT.—

6 (1) INTERVAL.—On the first January 1 that is
7 2 years after the date the Administrator makes the
8 update described in subsection (a), and annually
9 thereafter, the Administrator shall adjust the max-
10 imum net worth described in subsection (a) for infla-
11 tion using a metric developed by the Administrator.

12 (2) METRIC.—In developing the metric de-
13 scribed in paragraph (1) to account for inflation, the
14 Administrator shall—

15 (A) consider using the Consumer Price
16 Index published by the Bureau of Labor Statis-
17 tics in such metric;

18 (B) solicit and consider the recommenda-
19 tions of the Secretary of Transportation; and

20 (C) solicit and consider public comment on
21 the appropriate metric to use and whether such
22 metric should take into account regional vari-
23 ations in maximum net worth.

24 (3) FINAL RULE ON INFLATION METRIC.—Not
25 later than 1 year after the Administrator solicits

1 public comment pursuant to paragraph (2), the Ad-
2 ministrator shall issue a final rule describing the
3 metric developed under this paragraph.

4 (c) REPORT ON NET WORTH VARIATION.—

5 (1) IN GENERAL.—Not later than 2 years after
6 the date of the enactment of this Act, the Adminis-
7 trator shall submit to the Small Business and Entre-
8 preneurship Committee of the Senate and the Small
9 Business Committee of the House of Representatives
10 a report examining the feasibility of, and the bene-
11 fits and drawbacks of adjusting the maximum net
12 worth under subsection (a) for regional variations in
13 maximum net worth.

14 (2) REPORT REQUIREMENTS.—The report re-
15 quired under paragraph (1) shall contain—

16 (A) an analysis of the feasibility of meas-
17 uring regional variations in maximum net
18 worth;

19 (B) an examination of possible methods to
20 measure regional variations in maximum net
21 worth;

22 (C) an examination of the efforts of other
23 Federal agencies to develop metrics on a re-
24 gional basis and whether such efforts could be

1 applicable measuring regional variations in
2 maximum net worth;

3 (D) the benefits and costs of measuring re-
4 gional variations in maximum net worth; and

5 (E) a recommendation on whether or not
6 the Small Business Administration should
7 measure regional variations in maximum net
8 worth.

9 (3) CONSULTATION.—In preparing the report
10 required under this paragraph, the Administrator
11 shall consult with interested persons, including—

12 (A) owners of socially and economically
13 disadvantaged small business concerns (as de-
14 fined in section 8(a)(4)(A) of the Small Busi-
15 ness Act (15 U.S.C. 637(a)(4)(A)));

16 (B) owners of concern that would that
17 would qualify as a socially and economically dis-
18 advantaged small business concern but for the
19 maximum net worth established in part 124 of
20 title 13, Code of Federal Regulations, as in ef-
21 fect on the date of the enactment of this Act;

22 (C) other Federal agencies;

23 (D) State or local chambers of commerce
24 or equivalent organizations; and

1 (E) groups representing or advocating for
2 owners of socially and economically disadvan-
3 tagged small business concerns.

4 **SEC. 202. UPDATE TO CERTAIN SIZE STANDARDS UNDER**
5 **THE SMALL BUSINESS ACT.**

6 (a) CERTAIN SIZE STANDARDS REVIEW.—Not later
7 than 1 year after the date of the enactment of this Act,
8 the Administrator shall conduct a detailed review of the
9 size standards for small business concerns established
10 under section 3(a) of the Small Business Act (15 U.S.C.
11 632(a)) and part 121 of title 13, Code of Federal Regula-
12 tion (or a successor regulation), including a review of the
13 the size standards methodology contained in “Small Busi-
14 ness Size Standards: Revised Size Standards Method-
15 ology” (84 Fed. Reg. 14587 (April 11, 2019)), for con-
16 cerns assigned a North American Industry Classification
17 System code beginning with 23 or 48 and make the appro-
18 priate adjustments to the size standards for such con-
19 cerns.

20 (b) CONSULTATION.—In carrying out the review de-
21 scribed in subsection (a), the Administrator shall consult
22 with interested persons, including—

23 (1) owners of socially and economically dis-
24 advantaged small business concerns (as defined in
25 section 8(a)(4)(A) of the Small Business Act (15

1 U.S.C. 637(a)(4)(A))) assigned a North American
2 Industry Classification System code beginning with
3 23 or 48;

4 (2) owners of concerns in the industries as-
5 signed a North American Industry Classification
6 System code beginning with 23 or 48 that would
7 qualify as a socially and economically disadvantaged
8 small business concern but for the size standards es-
9 tablished in part 121 of title 13, Code of Federal
10 Regulations, as in effect on the date of the enact-
11 ment of this Act;

12 (3) the Secretary of Transportation;

13 (4) groups representing or advocating for own-
14 ers of socially and economically disadvantaged small
15 business concerns in the industries covered by sub-
16 section (a);

17 (5) groups representing construction businesses
18 and transportation and warehousing businesses; and

19 (6) State or local chambers of commerce or
20 equivalent organizations.

21 (c) REQUIREMENTS.—In making an adjustment de-
22 scribed in subsection (a), the Administrator shall—

23 (1) presume that market conditions have
24 changed as a result of the increase in infrastructure

1 spending in the Infrastructure Investment and Jobs
2 Act (Public Law 117–58); and

3 (2) ensure that the size standards described in
4 subsection (a) are increased by an amount equal to
5 at least 150 percent of such size standards that are
6 in effect on the date of the enactment of this Act,
7 unless the Administrator determines that such ac-
8 tion would jeopardize Federal assistance provided to
9 owners of socially and economically disadvantaged
10 small business concerns.

11 (d) REPORT.—Not later than 30 days after the date
12 on which the Administrator makes an adjustment under
13 subsection (a), the Administrator shall submit to the Com-
14 mittee on Small Business and Entrepreneurship of the
15 Senate and the Committee on Small Business of the
16 House of Representatives, make publicly available, a re-
17 port on the review, including—

18 (1) information on the factors evaluated for
19 each review conducted under subsection (a);

20 (2) a description of any adjustment made to
21 each size standard that was reviewed pursuant to
22 subsection (a), including any revisions made to size
23 standard methodology pursuant to subsection (a),
24 and the rationale for that adjustment; and

1 (3) if the Administrator makes a determination
2 to not increase a size standard by an amount equal
3 to at least 150 percent of such size standards that
4 are in effect on the date of the enactment of this Act
5 (as described in subsection (c)(2)), an explanation of
6 the rationale for such determination.

7 **SEC. 203. ANNUAL GROSS RECEIPTS TIMELINE UNDER THE**
8 **SMALL BUSINESS ACT.**

9 (a) GROSS RECEIPTS TIMELINE.—Section
10 3(a)(2)(C)(ii)(II) of the Small Business Act (15 U.S.C.
11 632(a)(2)(C)(ii)(II)) is amended by striking “5 years” and
12 inserting “7 years”.

13 (b) RULEMAKING.—Not later than 1 year after the
14 date of the enactment of this Act, the Administrator shall
15 issue or amend such rules as are necessary to carry out
16 the amendment made by subsection (a).

17 **SEC. 204. DEFINITION OF ASSETS UNDER THE SMALL BUSI-**
18 **NESS ACT.**

19 (a) DEFINITION OF ASSETS.—Section 8(a)(6)(E) of
20 the Small Business Act (15 U.S.C. 637(a)(6)(E)) is
21 amended—

22 (1) in clause (i), by striking the period at the
23 end and inserting a semicolon; and

24 (2) by adding the following new clauses:

1 “(iii) retirement savings accounts of
2 disadvantaged owners;

3 “(iv) investments in real estate other
4 than primary personal residences of dis-
5 advantaged owners; and

6 “(v) equity in businesses that are not
7 certified under this subsection of disadvan-
8 tagged owners.”.

9 (b) RULEMAKING.—Not later than 1 year after the
10 date of the enactment of this Act, the Administrator shall
11 issue or amend such rules as are necessary to carry out
12 the amendments made by subsection (a).

13 **SEC. 205. SMALL BUSINESS DEVELOPMENT CENTER PART-**
14 **NERSHIPS WITH THE DEPARTMENT OF**
15 **TRANSPORTATION.**

16 (a) ESTABLISHMENT OF PARTNERSHIP.—Section
17 21(c)(3) of the Small Business Act (15 U.S.C. 648(c)(3))
18 is amended—

19 (1) in subparagraph (T), by striking “and” at
20 the end;

21 (2) in clause (v) of the first subparagraph (U)
22 (relating to succession planning), by striking the pe-
23 riod at the end and inserting a semicolon;

1 (3) in second subparagraph (U) (relating to
2 training on domestic and international intellectual
3 property protections)—

4 (A) in clause (ii)(II), by striking the period
5 at the end and inserting a semicolon; and

6 (B) by redesignating such subparagraph as
7 subparagraph (V); and

8 (4) by adding at the end the following new sub-
9 paragraph:

10 “(W) pursuant to a cooperative agreement
11 entered into under section 205 of the Giving
12 Disadvantaged Businesses Opportunities for
13 Success Act, providing assistance to Disadvan-
14 taged Business Enterprises (as such term is de-
15 fined in part 26.5 of title 49, Code of Federal
16 Regulations), Airport Concession Disadvan-
17 taged Business Enterprises (as such term is de-
18 fined in part 23.3 of such title 49), and small
19 business concerns in starting or expanding busi-
20 nesses in Federally assisted surface transpor-
21 tation markets and obtaining the necessary cap-
22 ital, financial, and business expertise operate
23 such business.”.

24 (b) COOPERATIVE AGREEMENT.—Not later than one
25 year after the date of the enactment of this Act, the Sec-

1 retary and the Administrator shall enter into a cooperative
2 agreement to allow Disadvantaged Business Enterprises
3 and ACDBEs to have access to small business develop-
4 ment centers in the State in which a Disadvantaged Busi-
5 ness Enterprise or ACDBE, respectively, has its principal
6 place of business.

7 (c) TERMS OF AGREEMENT.—The Secretary and Ad-
8 ministrator shall determine the terms and conditions of
9 the cooperative agreement required by subsection (a),
10 which shall include the following:

11 (1) The ways in which small business develop-
12 ment centers and small business transportation re-
13 source centers of the Department of Transportation
14 will formally partner to carry out the cooperative
15 agreement.

16 (2) A process by which the Secretary may pro-
17 vide assistance and expertise, including resources
18 controlled by the Secretary and small business trans-
19 portation resource centers, to small business develop-
20 ment centers to carry out the agreement.

21 (3) Access for Disadvantaged Business Enter-
22 prises to the following assistance from small busi-
23 ness development centers:

24 (A) Estimating.

25 (B) Bonding and insurance.

1 (C) Cash flow management.

2 (D) Project management.

3 (E) Assistance with pre-qualification appli-
4 cations to be eligible to bid on contracts.

5 (F) Post contract award management.

6 (G) Any other area determined necessary
7 by the Administrator and Secretary.

8 (4) Methods to encourage collaboration between
9 small business development centers and nonprofit or-
10 ganizations with relevant transportation construction
11 or Disadvantaged Business Enterprises expertise.

12 (d) DBE AND ACDBE PROGRAMS.—The Secretary
13 shall require each recipient with a Disadvantaged Busi-
14 ness Enterprise program or ACDBE program certified by
15 the Secretary under section 11101(e)(5)(A) of the Infra-
16 structure Investment and Jobs Act (Public Law 117–58)
17 or part 23 of title 49, Code of Federal Regulations, to—

18 (1) educate Disadvantaged Business Enter-
19 prises or ACDBEs about available assistance from
20 small business development centers; and

21 (2) upon request by the Administrator or a
22 small business development center, provide assist-
23 ance and expertise to small business development
24 centers located in the same State as the recipient.

1 (e) STATUS UPDATES.—The Secretary and Adminis-
2 trator shall provide updates to the Committee on Trans-
3 portation and Infrastructure and the Committee on Small
4 Business of the House of Representatives and the Com-
5 mittee on Commerce, Science, and Transportation and the
6 Committee on Small Business and Entrepreneurship of
7 the Senate on the status of the cooperative agreement re-
8 quired under subsection (b) every 6 months beginning on
9 the date of the enactment of this Act and ending on the
10 date on which such agreement is finalized.

11 (f) COMPLIANCE.—In carrying out the requirements
12 under this section, the Secretary shall issue such regula-
13 tions as are necessary to update parts 23 and 26 of title
14 49, Code of Federal Regulations, to clarify that a Dis-
15 advantaged Business Enterprise program or ACDBE pro-
16 gram is not in compliance with this section unless the Dis-
17 advantaged Business Enterprise program or ACDBE pro-
18 gram of such recipient has complied with the requirements
19 in subsection (d).

20 (g) AUTHORIZATION OF APPROPRIATIONS.—There is
21 authorized to be appropriated, for each of fiscal years
22 2023 through 2027, to carry out the activities under the
23 cooperative agreement required under subsection (b)—

24 (1) \$5,000,000 to the Secretary; and

25 (2) \$5,000,000 to the Administrator.

1 **SEC. 206. SMALL BUSINESS DEVELOPMENT CENTER PART-**
2 **NERSHIPS WITH NONPROFITS.**

3 (a) NONPROFIT ELIGIBILITY.—Section 21(a)(3) of
4 the Small Business Act (15 U.S.C. 648(a)(3)) is amend-
5 ed—

6 (1) in subparagraph (C), by inserting “(includ-
7 ing nonprofit organizations)” after “private partner-
8 ships”; and

9 (2) by adding at the end the following new sub-
10 paragraphs:

11 “(D) Each small business development center
12 shall develop and implement a process under which
13 a nonprofit organization may apply at least once
14 every 2 years to partner with such small business
15 development center to provide services, expertise, or
16 resources to enhance and expand the services of such
17 small business development center.

18 “(E) A small business development center may
19 make a subgrant or subaward of any Federal funds
20 awarded to such small business development center
21 to a partner nonprofit organization (as described in
22 subparagraph (D)) to carry out activities of the
23 small business development center.”.

24 (b) RULEMAKING.—Not later than 2 years after the
25 date of the enactment of this Act, the Administrator shall

- 1 issue or amend such rules as are necessary to carry out
- 2 the amendments made by subsection (a).